

M e m o r a n d u m

To: CHAIR AND COMMISSIONERS

CTC Meeting: February 25-26, 2004

Reference No.: 3.1
Information ItemFrom: ROBERT L. GARCIA
Chief Financial OfficerPrepared by: Robert Sertich
Chief
Division of BudgetsRef: **CALTRANS MONTHLY FINANCE REPORT**

This report is based on the forecast presented at the California Transportation Commission (Commission) meeting in September 2003 and presents activity for the month of December 2003.

STATE HIGHWAY ACCOUNT (SHA)

Current Quarter (in millions)			
Adjusted Cash Balance	Nov	Dec	Jan
Forecast	\$70	\$220	\$360
Actual	-\$34	\$125	
Difference	-\$104	-\$95	

Fiscal Year (FY)			
Year-end Balance	2002-03	2003-04	2004-05
Forecast	\$145	\$330	\$1,190
Actual	\$293		
Difference	\$148		

Based on updated Accounting reports, the adjusted ending cash balance for December 2003 was \$125 million, which was \$95 million lower than forecast.

Analysis of December 2003 Data:**Revenue:**

- Cumulative actuals for six months of major state revenues are on track with the forecast.
- Cumulative actuals for six months of federal receipts were \$82 million under forecast.
- HUTA was \$19 million lower than forecast for December 2003.
- Federal receipts were \$27 million higher than forecast for December 2003.

Expenditures:

- Cumulative actuals for six months of expenditures are on track with the forecast.
- Expenditures were \$99 million higher than anticipated for December 2003.

FEDERAL TRUST FUND

The updated reports for Federal Fund Apportionment Status and the Obligation Authority (OA) State and Local Use are attached. The only significant update on federal funds, is the status of the Federal Fiscal Year (FFY) 2004 budget. Congress passed the Appropriation Act and it was signed by the President, however, the Reauthorization Act has not been passed by Congress. The fourth Continuing Resolution provided \$780 million in Obligation Authority, of which \$478 million has been obligated as of December 31, 2003. As of the end of January 2004, there is approximately \$74 million of OA remaining to be obligated.

- As of December 31, 2003, the total Advance Construction (AC) including Grant Anticipation Revenue Vehicles (GARVEE bonds), Toll Bridge Seismic Retrofit, Local Assistance and Emergency Relief is \$4 billion.

PUBLIC TRANSPORTATION ACCOUNT (PTA)

Current Quarter (in millions)			
Adjusted Cash Balance	Nov	Dec	Jan
Forecast	\$150	\$130	\$160
Actual	\$165	\$193	
Difference	\$15	\$63	

Fiscal Year (FY)			
Year-end Balance	2002-03	2003-04	2004-05
Forecast	\$56	\$120	\$160
Actual	\$101		
Difference	\$45		

The December 2003 adjusted cash balance was \$193 million, which was \$63 million higher than forecast. The higher cash balance is due to the adjusted beginning balance including Transportation Revolving Account (TRA), a delay in expenditure processing by the State Controller's Office (SCO) and lower than expected expenditures in Capital Outlay.

Analysis of December 2003 Data:**Change in Methodology:**

- A cash advance is transferred to the TRA to pay monthly expenditures for the PTA. In December 2003, the TRA balance was \$27 million, which has been added to the adjusted cash balance. This adjustment is being made to more accurately reflect the resources available to the PTA.

TRAFFIC CONGESTION RELIEF FUND (TCRF)

Current Quarter (in millions)			
Adjusted Cash Balance	Nov	Dec	Jan
Forecast	\$180	\$140	\$140
Actual	\$208	\$201	
Difference	\$28	\$61	

Fiscal Year (FY)			
Year-end Balance	2002-03	2003-04	2004-05
Forecast	\$356	\$50	\$390
Actual	\$356		
Difference	\$0		

The higher cash balance is primarily due to November 2003 and December 2003 being lower than forecast.

Analysis of December 2003 Data:

Expenditures:

- Expenditures were \$21 million lower than anticipated for December 2003.

TOLL BRIDGE SEISMIC RETROFIT ACCOUNT (TBSRA)

Current Quarter (in millions)

Adjusted Cash Balance	Nov	Dec	Jan
Forecast	\$1,053	\$1,020	\$970
Actual	\$1,099	\$1,087	
Difference	\$46	\$67	

Fiscal Year (FY)

Year-end Balance	2002-03	2003-04	2004-05
Forecast	\$190	\$750	\$640
Actual	\$201		
Difference	\$11		

The adjusted cash balance for December 2003 was \$1.087 billion, which was \$67 million higher than forecast.

Analysis of December 2003 Data:

Revenue

- As of September 1, 2003, this fund no longer receives toll revenue. Revenue from the seismic surcharge (\$1 per vehicle toll) is committed to repay the bonds sold in August 2003, and any future financing mechanisms.

Expenditures

- Actual December 2003 expenditures were lower than forecast.
- Although the full data is not available for the full month of January 2004, it is evident that a significant portion of the expenditures that did not occur in December 2003, occurred in early January 2004, which will bring the forecast back on track.

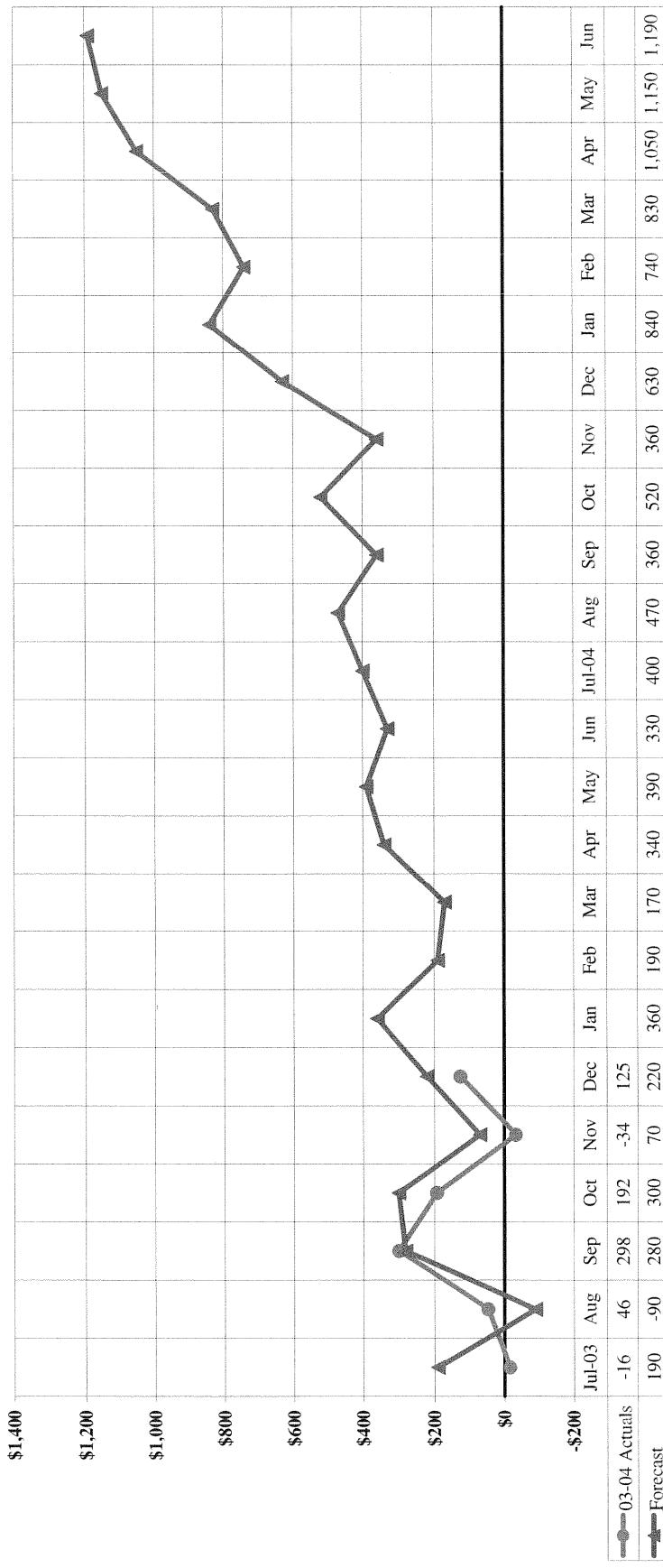
TRANSPORTATION INVESTMENT FUND (TIF)

- No TIF activity occurred in December 2003.

Attachments

24-MONTH STATE HIGHWAY ACCOUNT CASH FORECAST

(\$ in millions)



Assumptions:

Cash forecast includes actual activity through December 31, 2003.

Cash forecast assumes no new allocation.

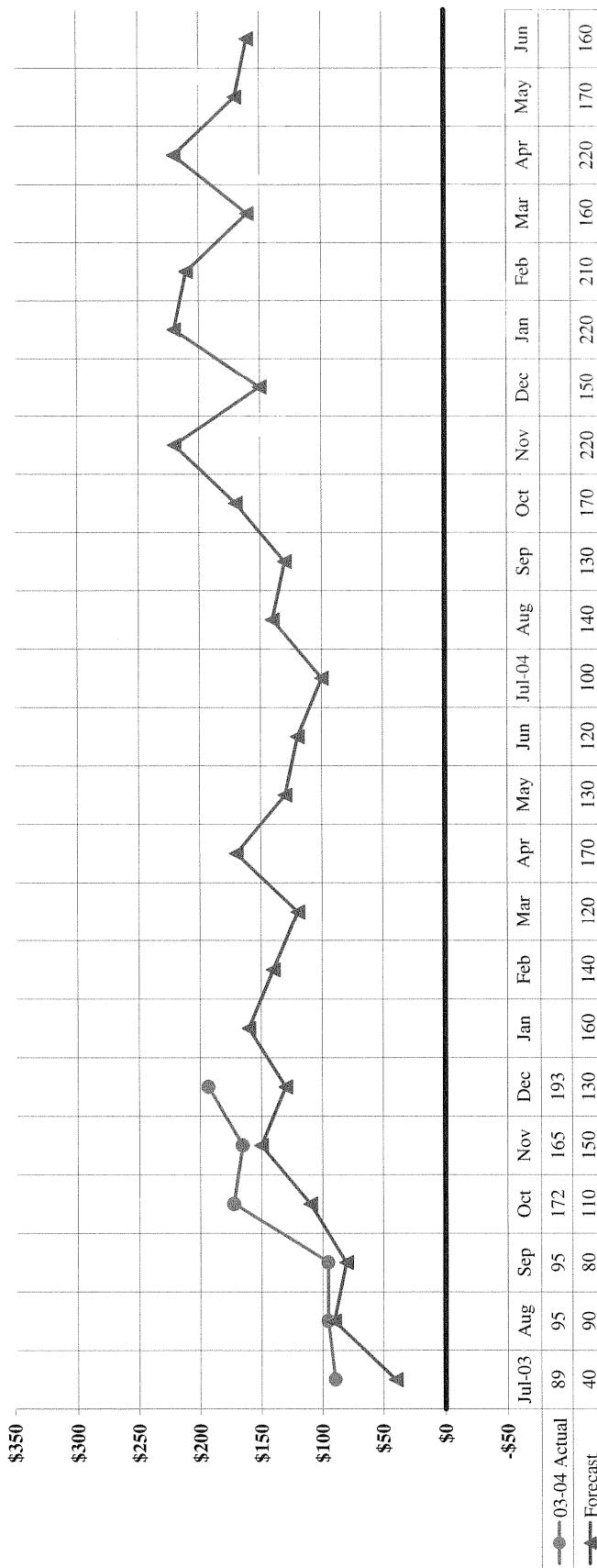
FY 2003-04 General Fund repayment of \$173 million plus \$2,216 million interest has been added to FY 2003-04.

FY 2004-05 Weight Fee revenue assumes FY 2003-04 levels, adjusted for a trend growth factor.

FY 2004-05 Highway Users Tax Account assumes 2.1% growth.

FY 2004-05 Forecast includes \$2 million of AB3090 reimbursements but does not include GARVEE repayments.

24-MONTH PUBLIC TRANSPORTATION ACCOUNT CASH FORECAST
 (\$ in millions)



Assumptions:

Cash forecast includes actual activity through December 31, 2003.

Gasoline and diesel sales tax revenues reflect May 2003 Department of Finance revenue forecasts.

AB 1751 (Ch. 224, St. of 2003) eliminates the transfer of spillover in FY 2003-04. Spillover assumed \$0 in FY 2004-05.

AB 1750 (Ch. 223, St. of 2003) suspended the TIF transfer to the PTA in FY 2003-04. To be repaid by the Transportation Deferred Investment Fund per AB 1751. Cash forecast assumes repayment in final FY 2008-09.

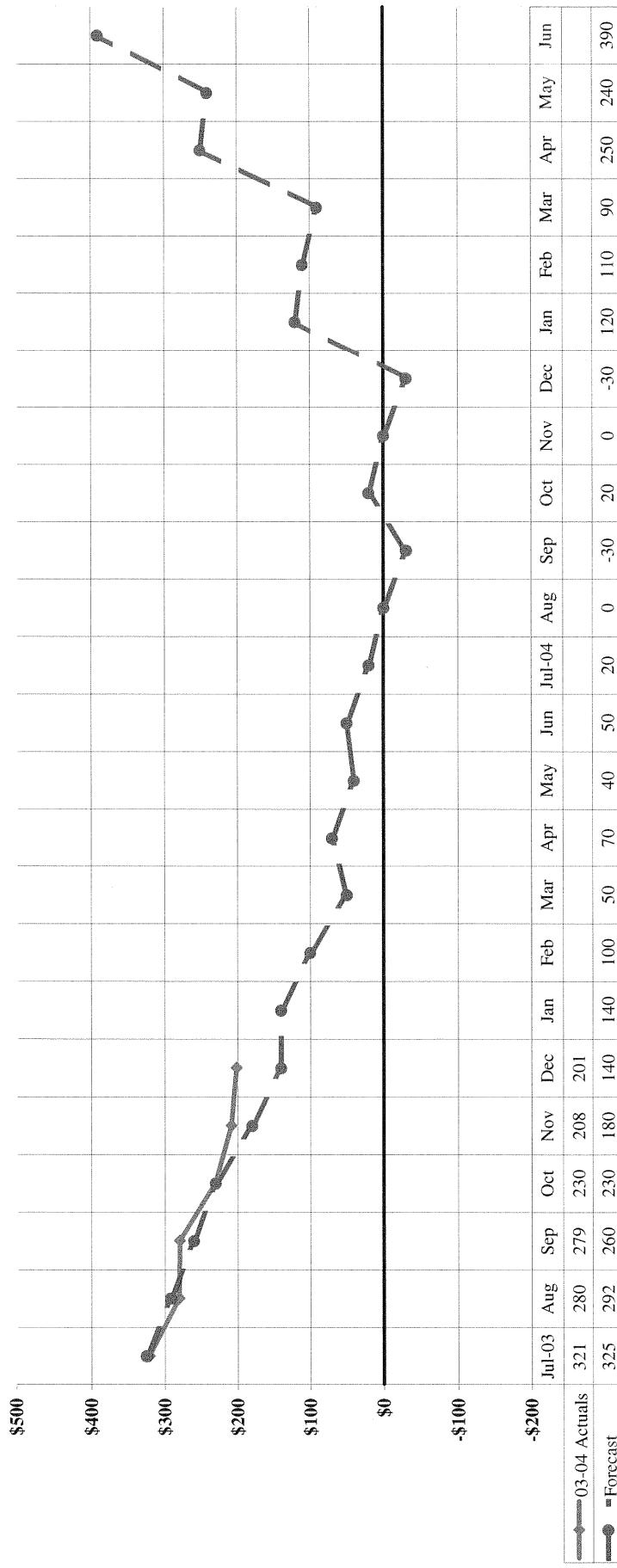
Cash forecast assumes \$92 million in revenue from the TIF in FY 2004-05, \$23 million transferred quarterly with one quarter lag.

High Speed Rail Authority expenditures increased by \$2.6 million in FY 2003-04 per Chapter 157, Budget Act of 2003.

According to the Budget Act of 2003, State Transit Assistance (STA) is \$104.6 million in FY 2003-04. Cash forecast assumes quarterly transfers with one quarter lag.

Forecast includes cash flow of capital outlay expenditures of \$29.1 million in FY 2003-04 and \$36.9 million in FY 2004-05 based on revised expenditure patterns of the Intercity Rail Program.

24-MONTH TRAFFIC CONGESTION RELIEF FUND FORECAST
(\$ in millions)



Assumptions:

Cash forecast includes actual activity through December 31, 2003.

Cash forecast expenditure levels based on Survey of Lead Agencies, presented at the November 2003 meeting.

Cash forecast assumes \$289 million in revenue from TIF in FY 2003-04, \$72.25 transferred quarterly.

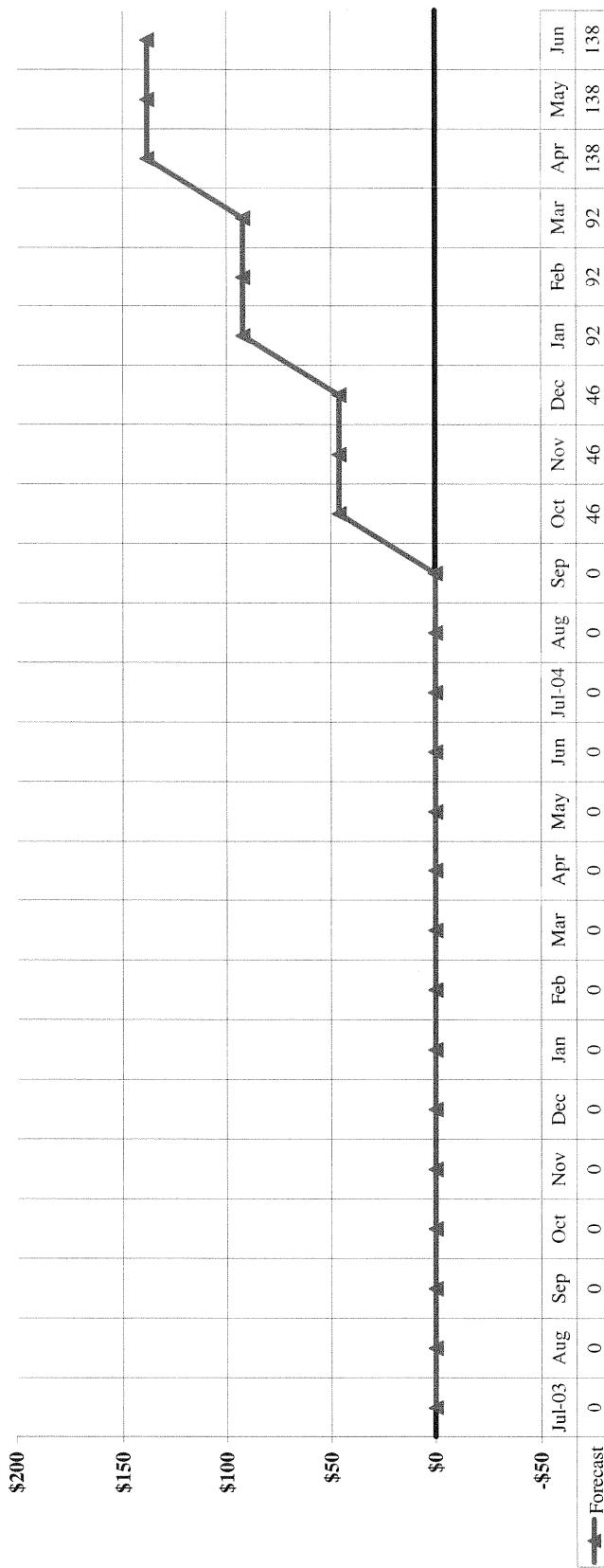
Forecast assumes \$100 million loan repayment to SHA in FY 2003-04, \$25 million transferred quarterly.

Cash forecast assumes \$678 million in revenue from TIF in FY 2004-05, \$169.5 million transferred quarterly.

Cash forecast assumes no new allocations in FY 2004-05.

October 2004 disbursements include a \$95 million lump sum repayment for Letter of No Prejudice(LONP)

24-MONTH TRANSPORTATION INVESTMENT FUND FORECAST
(\$ in millions)



Assumptions:

Cash Forecast assumes \$289 million in revenue from retail sales and use taxes in FY 2003-04, per AB 1750.

Per AB 1751, \$289 million will be transferred quarterly to the TCRF in FY 2003-04.

Cash Forecast assumes a zero cash balance for the TIF in FY 2003-04.

Cash forecast assumes \$1,138 million in revenue from retail sales and use taxes in FY 2004-05.

Cash forecast assumes \$284.5 million will be transferred quarterly, with a one quarter lag to be transferred July of FY 2005-06.

STATE HIGHWAY ACCOUNT
Adjusted Cash Balance as of December 31, 2003
 (\$ in millions)

	2003											
	JULY	AUG	SEP	OCT	NOV	DEC						
Beginning Cash Balance (SHA & TRA), per the State Controller's Office	\$658	\$344	\$115	\$569	\$404	\$266						
Add: Receipts for Month	232	348	1,005	526	410	692						
Less: Disbursements for Month	(546)	(577)	(551)	(691)	(548)	(570)						
Ending Cash Balance	\$344	\$115	\$569	\$404	\$266	\$388						
Cash Reconciliation (Short-term loans and Transfers)												
Add: GF Short Term Loan	\$29	\$209	\$0	\$0	\$0	\$0						
Less: TRA Balance from Other Funds	(32)	(11)	(25)	(32)	(86)	(47)						
Less: TCRF Short Term Loan	(307)	(267)	(246)	(180)	(140)	(140)						
Less: PTA Short Term Loan	(50)	0	0	0	(75)	(75)						
Adjusted SHA Cash Balance*	(\$16)	\$46	\$298	\$192	(\$34)	\$125						

* The Department's cash forecast is based on the adjusted SHA cash balance.

PUBLIC TRANSPORTATION ACCOUNT
Adjusted Cash Balance as of December 31, 2003
(**\$ in millions**)

	2003											
	JULY		AUG		SEP		OCT		NOV		DEC	
Beginning Cash Balance, per State Controller's Office	\$101		\$39		\$95		\$95		\$172		\$90	
Add: Receipts for Month		1		53		0		116		0		0
Add: Short Term Loan Repayment from SHA		0		50		0		0		0		0
Less: Disbursements for Month		13		47		0		38		82		0
Ending Cash Balance	\$39		\$95		\$95		\$172		\$90		\$91	
Cash Reconciliation:												
Add: Short Term Loan to SHA		\$50		\$0		\$0		\$0		\$75		\$75
Add: TRA Cash Advance*										\$27		
Adjusted PTA Cash Balance	\$89		\$95		\$95		\$172		\$165		\$193	

* TRA Cash Advance number not available until December.

TRAFFIC CONGESTION RELIEF FUND
Adjusted Cash Balance as of December 31, 2003
(**\$ in millions**)

	2003					
	JULY	AUG	SEP	OCT	NOV	DEC
Beginning Cash Balance, per State Controller's Office	\$31	\$14	\$13	\$33	\$50	\$68
Add: Receipts for Month	18	40	20	138	40	0
Less: Disbursements for Month	(35)	(41)	0	(121)	(22)	(25)
Ending Cash Balance	\$14	\$13	\$33	\$50	\$68	\$43
 Cash Reconciliation:						
Add: SHA Short Term Loan	\$307	\$267	\$246	\$180	\$140	\$140
Add: TRA Cash Advance*					\$18	
Adjusted TCRF Cash Balance	\$321	\$280	\$279	\$230	\$208	\$201

* TRA Cash Advance number not available until December 2003.

Caltrans Monthly Finance Report

Agenda Item 3.1
February 25-26, 2004

TRANSPORTATION INVESTMENT FUND
Adjusted Cash Balance as of December 31, 2003
(\$ in millions)

	2003											
	JULY	AUG	SEP	OCT	NOV	DEC						
Beginning Cash Balance, per the State Controller's Office	\$0	\$0	\$0	\$0	\$0	\$0						
Add: Receipts for Month	0	0	0	72	0	0						
Less: Disbursements for Month	0	0	0	(72)	0	0						
Ending Cash Balance	\$0	\$0	\$0	\$0	\$0	\$0						

CHART 2
STATUS OF SEISMIC RETROFIT PROGRAM

PHASE I (\$ in millions)		TOTAL
Estimated Capital Cost		\$815.0
Major Projects Funded To Date		\$844.8
Minor Projects Funded To Date		\$4.6
<i>Total Capital Costs Funded To Date</i>		<i>\$849.4</i>

PHASE II (\$ in millions)		TOTAL
	SHA FEDERAL MDL*	SEISMIC BOND FUND
Total Estimated Cost - Support and Capital		\$1,350.0
Major Projects Funded To Date	\$63.0	\$770.0****
Minor Projects Funded To Date	\$3.1	\$8.8
Right of Way Capital Costs To Date		\$10.7***
Support Costs Funded	\$103.0	\$256.8**
Prop 192 Reimbursement	(\$99.8)	\$99.8
<i>Total Funded To Date</i>	<i>\$69.3</i>	<i>\$1,146.1</i>
		<i>\$1,215.4</i>

* Multi-District Litigation funds received through Petroleum Products Antitrust Litigation agreement, August 12 1992.

** Does not include \$81.2 million allocated for the Pooled Money Investment Account loan interest expenses as these costs are usually offset by the interest earned by the Surplus Money Investment Fund.

*** Indicates actual expenditures/encumbrances. (Other amounts are allocations.)

**** \$1,164,100 supplemental funds for EA 04-0T0431 (M04-0078), \$474,000 supplemental funds for EA 05-444301 (M97-S458).

TOLL BRIDGE SEISMIC RETROFIT (\$ in millions)					
	SHA TOLL MDL ⁽¹⁾	SEISMIC BOND FUND	TBSR ACCT	HBRR ⁽²⁾ FUNDS (Federal)	TOTAL
Total Estimated Cost - Support and Capital					\$4,637.0
Major Projects Funded To Date	\$22.2	\$649.3	\$2,369.8	\$627.5	\$3,668.8
Minor Projects Funded To Date					
Right of Way Capital Costs To Date		\$24.0	\$57.2		\$81.2
Support Costs Funded	\$66.2	\$106.0	\$501.5 ⁽³⁾		\$673.7
Prop 192 Reimbursement	-\$9.5	\$9.5			\$0.0
Total Funded To Date	\$78.9	\$788.8	\$2,928.5	\$627.5	\$4,423.7

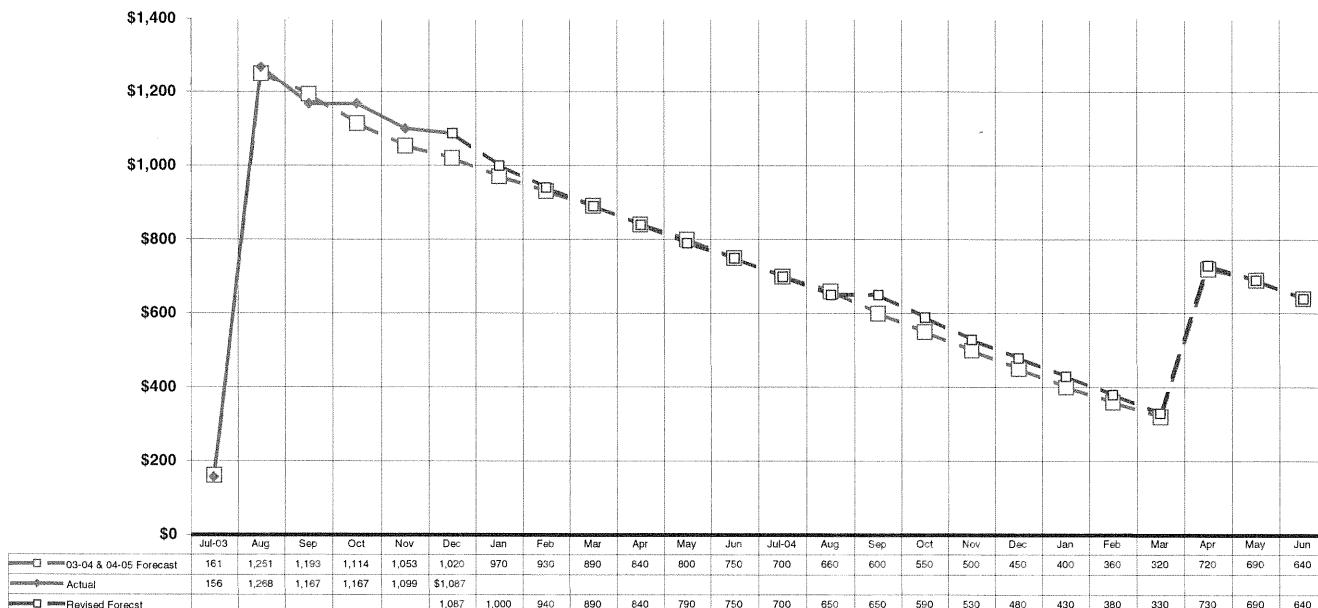
Total Estimated Cost increased to \$4,637.0 million per Assembly Bill 1171 (Chapter 907, Statutes of 2001).

(1) Multi-District Litigation funds received through Petroleum Products Antitrust Litigation agreement, August 12 1992.

(2) Federal Highway Bridge Replacement and Rehabilitation, as authorized by AB 1171.

(3) Indicates actual expenditures/encumbrances (other amounts are allocations).

24-MONTH TOLL BRIDGE SEISMIC RETROFIT ACCOUNT CASH FORECAST
(\$ in millions)



Account balance does not include debt service reserve and administrative sub-funds

Changes from previous forecast:

Incorporates latest cash flow estimates provided by the program.

Incorporates the HBRR reimbursement for federal expenditures in September 2003.

Incorporates new starting point for January 2004 beginning balance.

ADVANCE CONSTRUCTION (AC)
as of December 31, 2003
 (\$ in millions)

Major Fund Categories (will use state OA to convert)

INTERSTATE MAINTENANCE	\$	648
NATIONAL HIGHWAY SYSTEM	\$	1,124
MINIMUM GUARANTEE		N/A
CONGESTION MITIGATION & AIR QUALITY IMPROVEMENT		-
BRIDGE PROGRAM FUNDS	\$	50
SURFACE TRANSPORTATION PROGRAM (1)	\$	837
SURFACE TRANSPORTATION ENHANCEMENT	\$	31
MISCELLANEOUS (2)	\$	146
METROPOLITAN PLANNING		N/A
STATE PLANNING AND RESEARCH FUNDS (SPR)	\$	58
	Sub Total	\$ 2,894

Emergency Relief Projects (ER funds come with their own OA)

ER (STP funds)	\$	34
	Sub Total	34

Special Projects (will use state OA to convert but will not add to the SHA balance)

TBSR Projects (HBRR Funds)	\$	394
GARVEE Projects	\$	657
	Sub total	\$ 1,051

Local AC (will use local OA to convert)

LOCAL (3)		47
	Sub total	47

Statewide Total AC Balance	4,026
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(1) State STP Only

(2) Includes: Interstate Construction, Statewide Infrastructure Bank, Combined Road Plan etc.

(3) Local AC projects include different federal fund categories (RSTP, CMAQ, HBRR, HES,...)

OBLIGATION AUTHORITY (OA)
STATE /LOCAL USE

(\$ in millions)

*

FFY 2004 as of December 31, 2003

	<u>STATE</u>	<u>LOCAL</u>	<u>TOTAL</u>
OBLIGATION AUTHORITY	\$ 483	\$ 297	\$ 780
CUMULATIVE OBLIGATIONS	<u>\$ 284</u>	<u>\$ 194</u>	<u>\$ 478</u>
REMAINING OA	\$ 199	\$ 103	\$ 302

FFY 2003

	<u>STATE</u>	<u>LOCAL</u>	<u>TOTAL</u>
OBLIGATION AUTHORITY	\$ 1,603	\$ 904	\$ 2,507
CUMULATIVE OBLIGATIONS	<u>\$ 1,802</u>	<u>\$ 705</u>	<u>\$ 2,507</u>
REMAINING OA	\$ (199)	\$ 199	\$ -

NOTE: AS OF 9/30/03, THE STATE HAS USED \$199 MILLION OF LOCAL OA.

FFY 2002

	<u>STATE</u>	<u>LOCAL</u>	<u>TOTAL</u>
OBLIGATION AUTHORITY	\$ 1,621	\$ 855	\$ 2,476
CUMULATIVE OBLIGATIONS	<u>\$ 1,622</u>	<u>\$ 854</u>	<u>\$ 2,476</u>
REMAINING OA	\$ (0)	\$ 0	\$ 0

NOTE: YEAR END ADJUSTMENT TO MAXIMIZE USE OF OA

OA - includes formula limitation, minimum Guarantee Special and Exempt.

Cumulative Obligations include formula, minimum guarantee, and special allocated limitation.

* As of December 31, 2003, the State was operating under the fourth Continuing Resolution.

FEDERAL FUND - APPORTIONMENT STATUS
(\$ in millions)

MAJOR FUND CATEGORY

	FFY-2002			FFY-2003			FFY-2004 (as of December 31, 2003)		
	Apportionment	Obligations (1)	Apportionment	Obligations (1)	Apportionment	Obligations (1)	Apportionment	Obligations (1)	Apportionment
INTERSTATE MAINTENANCE (2)	\$ 209	\$ 273	\$ 223	\$ 216	\$ 201	\$ 36			
NATIONAL HIGHWAY SYSTEM (2)	\$ 281	\$ 455	\$ 372	\$ 456	\$ 258	\$ 148			
MINIMUM GUARANTEE (3)	\$ 196	\$ 186	\$ 210	\$ 218	\$ 20	\$ 6			
CONGESTION MITIGATION & AIR QUALITY IMPROVEMENT	\$ 372	\$ 323	\$ 332	\$ 284	\$ 178	\$ 70			
BRIDGE PROGRAM FUNDS	\$ 316	\$ 189	\$ 301	\$ 325	\$ 161	\$ (1)			
SURFACE TRANSPORTATION PROGRAM (2)	\$ 1,105	\$ 865	\$ 789	\$ 861	\$ 282	\$ 192			
SURFACE TRANSPORTATION ENHANCEMENT	\$ 68	\$ 72	\$ 61	\$ 37	\$ 32	\$ 22			
MISCELLANEOUS (4)	\$ 3	\$ 21	\$ 16	\$ 71	\$ 2	\$ 1			
METROPOLITAN PLANNING	\$ 30	\$ 30	\$ 29	\$ 29	\$ 15	\$ -			
STATE PLANNING AND RESEARCH FUNDS (SPR)	\$ 52	\$ 61	\$ 47	\$ 9	\$ 25	\$ 4			
TOTAL	\$ 2,633	\$ 2,476	\$ 2,380	\$ 2,507	\$ 1,174	\$ 478			
AVAILABLE FEDERAL OA									
AVAILABLE FEDERAL OA REMAINING		\$ 2,476		\$ 2,507		\$ 780			
		\$ 0		\$ 0		\$ 302			

NOTES

- (1) Includes FTA transfers
 - (2) 50% of the annual Interstate Maintenance and National Highway apportionments are transferred to STP
 - (3) Combines Special and Exempt funding
 - (4) Includes Rec Trails, Redist of Certain Auth, Motor Veh Infox and various PRE-ISTEA fund types
- Annual obligations can exceed the annual apportionments provided that prior year carry-over unobligated apportionments are available.